

TOWN OF PORT BARRE, LOUISIANA**Financial Report****Year Ended September 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 20 2013**

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The Honorable Gilfred Savoy, Jr., Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

During our audit of the basic financial statements of the Town of Port Barre for the year ended September 30, 2012, we noted two areas in which improvements in the accounting system and financial practices of the Town may be desirable. The recommendations were also included in our management letter dated March 22, 2012 applicable to our audit of the basic financial statements for the year ended September 30, 2011, but are mentioned again for re-emphasis.

- (1) The Utility Fund sewerage department experienced an operating loss of \$121,780. Management should consider increasing rates and/or decreasing expenses in order for the sewerage department to operate on a profitable basis.
- (2) The Town's water department has a high water loss percentage. The Town should continue to monitor the loss on a monthly basis and determine what actions could be considered in order to reduce the amount of water loss.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 15, 2013

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INDEPENDENT AUDITORS' REPORT

The Honorable Gilfred Savoy, Jr., Mayor,
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of and for the year ended September 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 15, 2013 on our consideration of the Town of Port Barre's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 37 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Port Barre has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Port Barre's financial statements as a whole. The other supplementary information, on pages 41 through 54 except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the basic financial statements as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them. The prior year comparative information on the other supplementary information has been derived from the Town of Port Barre's 2011 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers which was not subjected to the auditing procedures and on which we expressed no opinion.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 15, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets
September 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and interest-bearing deposits	\$ 1,346,050	\$ 359,819	\$ 1,705,869
Receivables, net	25,986	108,140	134,126
Internal balances	(182,127)	182,127	-
Due from other governmental units	<u>12,532</u>	<u>134,611</u>	<u>147,143</u>
Total current assets	<u>1,202,441</u>	<u>784,697</u>	<u>1,987,138</u>
Noncurrent assets			
Restricted assets			
Cash and interest-bearing deposits	-	213,413	213,413
Capital assets			
Land and construction in progress	86,425	185,454	271,879
Other capital assets, net	<u>1,502,369</u>	<u>3,994,339</u>	<u>5,496,708</u>
Total noncurrent assets	<u>1,588,794</u>	<u>4,393,206</u>	<u>5,982,000</u>
Total assets	<u>2,791,235</u>	<u>5,177,903</u>	<u>7,969,138</u>
LIABILITIES			
Current liabilities			
Accounts, salaries and other payables	28,597	217,917	246,514
Deferred revenue	147,317	-	147,317
Capital leases payable	20,265	-	20,265
Bonds payable	50,000	11,399	61,399
Accrued interest	<u>2,882</u>	<u>2,030</u>	<u>4,912</u>
Total current liabilities	<u>249,061</u>	<u>231,346</u>	<u>480,407</u>
Noncurrent liabilities			
Customers' deposits	-	121,021	121,021
Capital leases payable	1,957	-	1,957
Bonds payable	<u>210,000</u>	<u>510,899</u>	<u>720,899</u>
Total noncurrent liabilities	<u>211,957</u>	<u>631,920</u>	<u>843,877</u>
Total liabilities	<u>461,018</u>	<u>863,266</u>	<u>1,324,284</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,306,572	3,668,894	4,975,466
Restricted for debt service	43,478	78,963	122,441
Unrestricted	<u>980,167</u>	<u>566,780</u>	<u>1,546,947</u>
Total net assets	<u>\$ 2,330,217</u>	<u>\$ 4,314,637</u>	<u>\$ 6,644,854</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Statement of Activities
For the Year Ended September 30, 2012

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 249,119	\$ 72,032	\$ 69,750	\$ -	\$ (107,337)	\$ -	\$ (107,337)
Public safety							
Police	918,253	646,904	-	-	(271,349)	-	(271,349)
Streets	300,825	-	-	-	(300,825)	-	(300,825)
Culture and recreation	121,419	48,494	-	-	(72,925)	-	(72,925)
Interest on long-term debt	10,219	-	-	-	(10,219)	-	(10,219)
Total governmental activities	<u>1,599,835</u>	<u>767,430</u>	<u>69,750</u>	<u>-</u>	<u>(762,655)</u>	<u>-</u>	<u>(762,655)</u>
Business-type activities							
Gas	262,910	273,399	-	-	-	10,489	10,489
Water	357,383	396,968	-	134,611	-	174,196	174,196
Sewerage	<u>387,746</u>	<u>241,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,362)</u>	<u>(146,362)</u>
Total business-type activities	<u>1,008,039</u>	<u>911,751</u>	<u>-</u>	<u>134,611</u>	<u>-</u>	<u>38,323</u>	<u>38,323</u>
Total	<u>\$2,607,874</u>	<u>\$1,679,181</u>	<u>\$ 69,750</u>	<u>\$134,611</u>	<u>(762,655)</u>	<u>38,323</u>	<u>(724,332)</u>
General revenues							
Taxes -							
Property taxes, levied for general purposes					42,362	-	42,362
Sales and use taxes, levied for general purposes					666,498	-	666,498
Franchise taxes					74,262	-	74,262
Grants and contributions not restricted to specific programs -							
State sources					70,924	-	70,924
Interest and investment earnings					265	735	1,000
Miscellaneous					71,877	-	71,877
Transfers					(21,772)	21,772	-
Total general revenues and transfers					<u>904,416</u>	<u>22,507</u>	<u>926,923</u>
Change in net assets					141,761	60,830	202,591
Net assets - October 1, 2011					<u>2,188,456</u>	<u>4,253,807</u>	<u>6,442,263</u>
Net assets - September 30, 2012					<u>\$2,330,217</u>	<u>\$4,314,637</u>	<u>\$6,644,854</u>

The accompanying notes are an integral part of the basic financial statements

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes

1966 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement and/or maintenance of drainage facilities, sewer, and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town of Port Barre, including the purchase of equipment therefore

1996 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1 2% sales and use tax. These taxes are dedicated to the construction, maintenance and improvement of public streets of the Town of Port Barre

Debt Service Fund

1996 Sales Tax Bonds Debt Service Fund

To accumulate monies for payment of \$900,000 Sales Tax Bonds, Series 1996. Debt service is financed from proceeds of the Town's 1 2% sales and use tax

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection

TOWN OF PORT BARRE, LOUISIANA

Balance Sheet
Governmental Funds
September 30, 2012

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
ASSETS					
Cash and interest-bearing deposits	\$ 286,211	\$ 426,908	\$586,571	\$ 46,360	\$ 1,346,050
Receivables					
Taxes	20,894	-	-	-	20,894
Other	5,092	-	-	-	5,092
Due from other funds	17,873	223,388	-	-	241,261
Due from other governmental units	12,532	-	-	-	12,532
Total assets	<u>\$ 342,602</u>	<u>\$ 650,296</u>	<u>\$586,571</u>	<u>\$ 46,360</u>	<u>\$ 1,625,829</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	16,261	11,416	\$ 920	\$ -	\$ 28,597
Deferred revenue	22,317	56,250	68,750	-	147,317
Due to other funds	25,625	200,000	197,763	-	423,388
Total liabilities	<u>64,203</u>	<u>267,666</u>	<u>267,433</u>	<u>-</u>	<u>599,302</u>
Fund balances -					
Restricted for debt service	-	-	-	46,360	46,360
Restricted for sales tax dedications	-	382,630	319,138	-	701,768
Unassigned	278,399	-	-	-	278,399
Total fund balances	<u>278,399</u>	<u>382,630</u>	<u>319,138</u>	<u>46,360</u>	<u>1,026,527</u>
Total liabilities and fund balances	<u>\$ 342,602</u>	<u>\$ 650,296</u>	<u>\$586,571</u>	<u>\$ 46,360</u>	<u>\$ 1,625,829</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2012

Total fund balances for governmental funds at September 30, 2012 \$ 1,026,527

Total net assets reported for governmental activities in the statement of net assets is different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of

Land	\$ 86,425	
Buildings, net of \$911,625 accumulated depreciation	976,653	
Infrastructure, net of \$622,733 accumulated depreciation	953,038	
Equipment, net of \$368,174 accumulated depreciation	<u>(427,322)</u>	1,588,794

Long-term liabilities at September 30, 2012

Bonds payable	\$(260,000)	
Capital leases payable	(22,222)	
Accrued interest	<u>(2,882)</u>	<u>(285,104)</u>

Total net assets of governmental activities at September 30, 2012 \$2,330,217

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended September 30, 2012

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
Revenues					
Taxes	\$ 115,269	\$ 299,924	\$ 366,574	\$ -	\$ 781,767
Licenses and permits	72,032	-	-	-	72,032
Intergovernmental	142,029	-	-	-	142,029
Fines and forfeits	646,904	-	-	-	646,904
Miscellaneous	120,371	95	170	-	120,636
Total revenues	<u>1,096,605</u>	<u>300,019</u>	<u>366,744</u>	<u>-</u>	<u>1,763,368</u>
Expenditures					
Current -					
General government	157,401	15,455	19,570	-	192,426
Public safety					
Police	865,801	-	-	-	865,801
Highways and streets	-	241,186	31,732	-	272,918
Culture and recreation	93,643	12,682	-	-	106,325
Capital outlay	221,829	-	-	-	221,829
Debt service -					
Principal	20,627	-	-	47,000	67,627
Interest and fiscal charges	2,274	-	-	8,466	10,740
Total expenditures	<u>1,361,575</u>	<u>269,323</u>	<u>51,302</u>	<u>55,466</u>	<u>1,737,666</u>
Excess (deficiency) of revenues over expenditures	<u>(264,970)</u>	<u>30,696</u>	<u>315,442</u>	<u>(55,466)</u>	<u>25,702</u>
Other financing sources (uses)					
Transfers in	178,228	200,000	-	55,895	434,123
Transfers out	-	(200,000)	(255,895)	-	(455,895)
Total other financing sources (uses)	<u>178,228</u>	<u>-</u>	<u>(255,895)</u>	<u>55,895</u>	<u>(21,772)</u>
Net changes in fund balances	<u>(86,742)</u>	<u>30,696</u>	<u>59,547</u>	<u>429</u>	<u>3,930</u>
Fund balances, beginning	<u>365,141</u>	<u>351,934</u>	<u>259,591</u>	<u>45,931</u>	<u>1,022,597</u>
Fund balances, ending	<u>\$ 278,399</u>	<u>\$ 382,630</u>	<u>\$ 319,138</u>	<u>\$ 46,360</u>	<u>\$ 1,026,527</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2012

Total net changes in fund balances at September 30, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 3,930
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The change in net assets reported for governmental activities in the
statement of activities is different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 221,829
Depreciation expense for the year ended September 30, 2012	(150,795)
Loss on disposal of capital assets	<u>(1,351)</u>
	69,683

Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net assets	67,627
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>521</u>
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Total changes in net assets at September 30, 2012 per Statement of Activities	<u>\$ 141,761</u>
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The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets

Proprietary Fund

September 30, 2012

	<u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash	\$ 159,056
Interest-bearing deposits, at cost	200,763
Receivables	
Accounts receivable	108,140
Due from other funds	182,127
Due from other governmental units	<u>134,611</u>
Total current assets	<u>784,697</u>
Noncurrent assets	
Restricted assets	
Cash	169,454
Interest -bearing deposits, at cost	43,959
Capital assets	
Land	15,292
Construction in progress	170,162
Other capital assets, net of accumulated depreciation	<u>3,994,339</u>
Total noncurrent assets	<u>4,393,206</u>
Total assets	<u>5,177,903</u>
LIABILITIES	
Current liabilities	
Accounts payable	83,229
Contracts payable	121,150
Retainage payable	13,461
Other liabilities	77
Payable from restricted assets -	
Revenue bonds	11,399
Accrued interest	<u>2,030</u>
Total current liabilities	<u>231,346</u>
Noncurrent liabilities	
Customers' deposits	121,021
Revenue bonds and notes payable	<u>510,899</u>
Total noncurrent liabilities	<u>631,920</u>
Total liabilities	<u>863,266</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,668,894
Restricted for debt service	78,963
Unrestricted	<u>566,780</u>
Total net assets	<u>\$4,314,637</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Fund
For the Year Ended September 30, 2012

	<u>Enterprise Fund</u>
Operating revenues	
Charges for services -	
Gas charges	\$ 256,009
Water sales	378,078
Sewer service charges	230,484
Connection charges	5,000
Miscellaneous	<u>42,180</u>
Total operating revenues	<u>911,751</u>
Operating expenses	
Gas department	262,910
Water department	357,383
Sewerage department	<u>363,164</u>
Total operating expenses	<u>983,457</u>
Operating loss	<u>(71,706)</u>
Nonoperating revenues (expenses)	
Interest income	735
Interest expense	<u>(24,582)</u>
Total nonoperating income	<u>(23,847)</u>
Loss before contributions and transfers	<u>(95,553)</u>
Capital contributions	<u>134,611</u>
Transfers in (out)	
Transfers in	200,000
Transfers out	<u>(178,228)</u>
Total transfers in (out)	<u>21,772</u>
Change in net assets	60,830
Net assets, beginning	<u>4,253,807</u>
Net assets, ending	<u>\$ 4,314,637</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows Proprietary Fund For the Year Ended September 30, 2012

	<u>Enterprise Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 878,693
Payments to suppliers	(596,537)
Payments to employees	(189,332)
Other receipts	<u>42,180</u>
Net cash provided by operating activities	<u>135,004</u>
Cash flows from noncapital financing activities	
Transfers from other funds	200,000
Transfers to other funds	(178,228)
Cash paid to other funds	<u>(4,999)</u>
Net cash provided by noncapital financing activities	<u>16,773</u>
Cash flows from capital and related financing activities	
Principal paid on revenue bond maturities	(10,898)
Interest and fiscal charges paid on revenue bonds	(24,622)
Net increase in meter deposits	13,203
Acquisition of equipment	<u>(50,621)</u>
Net cash used by capital and related financing activities	<u>(72,938)</u>
Cash flows from investing activities	
Purchase of interest-bearing deposits	(27,202)
Maturities of interest-bearing deposits	26,817
Interest on investments	<u>735</u>
Net cash provided by investing activities	<u>350</u>
Net increase in cash and cash equivalents	79,189
Cash and cash equivalents, beginning of period	<u>314,423</u>
Cash and cash equivalents, end of period	<u>\$ 393,612</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
Proprietary Fund - (Continued)
For the Year Ended September 30, 2012

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (71,706)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	152,564
Amortization of bond issuance costs	756
Changes in current assets and liabilities	
Accounts receivable	9,122
Other receivables	17,644
Accounts payable	26,651
Other liabilities	<u>(27)</u>
Net cash provided by operating activities	<u>\$ 135,004</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	96,504
Interest-bearing deposits - unrestricted	200,451
Cash - restricted	153,167
Interest-bearing deposits - restricted	43,536
Less Interest-bearing deposits with a maturity over three months	<u>(26,817)</u>
Total cash and cash equivalents	<u>466,841</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	159,056
Interest-bearing deposits - unrestricted	200,763
Cash - restricted	169,454
Interest-bearing deposits - restricted	43,959
Less Interest-bearing deposits with a maturity over three months	<u>(27,202)</u>
Total cash and cash equivalents	<u>546,030</u>
Net increase	<u>\$ 79,189</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Port Barre (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A Financial Reporting Entity

The Town of Port Barre was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

There are no component units over which the Town exercises significant influence.

B Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

1966 Sales Tax Fund -

The 1966 Sales Tax Fund is used to account for the receipt and use of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1996 Sales Tax Fund -

The 1996 Sales Tax Fund is used to account for the proceeds of a 1.2 percent sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Fund

1996 Sales Tax Bonds Debt Service Fund -

This fund is used to accumulate monies for payment of \$900,000 Sales Tax Bonds, Series 1996 Debt service is financed from the proceeds of a 1 2% sales and use tax

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes The Town of Port Barre's enterprise fund is the Utility Fund

C Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate

- a All governmental funds utilize a "current financial resources" measurement focus Only current financial assets and liabilities are generally included on their balance sheets Their operating statements present sources and uses of available spendable financial resources during a given period These funds use fund balance as their measure of available spendable financial resources at the end of the period

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$30,821 at September 30, 2012. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-15 years
Utility system and improvements	4-50 years
Infrastructure	20-40 years

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of September 30, 2012.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. At September 30, 2012, the Town reported \$122,441 of restricted net assets, all of which were restricted by enabling legislation.
- c Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. The Town of Port Barre adopted GASB Statement 54 for the year ended September 30, 2011. As such, fund balances of the governmental funds are classified as follows:

- a Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e Unassigned – all other spendable amounts.

When an expenditure is incurred for the purpose for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in their commitment or assignment actions.

Proprietary fund equity is classified the same as in the government-wide statements.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements

- 1 Prior to September 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1
- 2 A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called
- 3 A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing
- 4 After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted
- 5 Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen
- 6 All budgetary appropriations lapse at the end of each fiscal year
- 7 Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations

H Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond

I Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed.

For the year ended September 30, 2012, taxes of 5.30 mills were levied on property with assessed valuations totaling \$7,807,610 and were dedicated as follows:

General corporate purposes	5.30
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Total taxes levied were \$41,380. Taxes receivable (including interest and penalties receivable) at September 30, 2012 consisted of the following:

Total receivable	\$ 817
Allowance for uncollectible taxes	<u>(392)</u>
Net receivable	<u>\$ 425</u>

(3) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies two sales taxes as follows:

- A. Proceeds of a 1966 1% sales and use tax levied by the Town of Port Barre (2012 collections \$299,924) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefore.

Under the terms of the bond resolution, the proceeds of the special 1% sales and use tax are deposited with the Town's fiscal agent bank in a sales tax fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, \$1,000 is retained in the sales tax fund for operating expenses.

Any monies remaining in the sales tax fund on the 20th day of each month in excess of the \$1,000 are to be retained for operating capital and shall be considered as surplus. The Town may use such surplus for any of the purposes for which the imposition of the tax is authorized.

- B. Proceeds of a 1996 1.2% sales and use tax levied by the Town of Port Barre (2012 collections \$366,574) is dedicated for constructing, maintaining and improving public streets.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Under the terms of the bond resolution, each month, there will be set aside into an account called the "Sales Tax Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2012, the Town had cash and interest-bearing deposits (book balances) totaling \$1,919,282 as follows:

Demand deposits (non interest-bearing)	\$ 1,346,711
Interest-bearing demand deposits and savings accounts	45,978
Time deposits	<u>526,593</u>
Total	<u>\$ 1,919,282</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 2012 were secured as follows:

Bank balances	<u>\$1,973,108</u>
Securities pledged	\$ 295,369
Federal deposit insurance	<u>1,677,739</u>
Total securities pledged and federal deposit insurance	<u>\$1,973,108</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposit balances in the amount of \$295,369 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(5) Receivables

Receivables at September 30, 2012 of \$134,126 consist of the following

	General Fund	Utility Fund	Total
Accounts	\$ -	\$ 108,140	\$ 108,140
Taxes			
Franchise taxes	20,469	-	20,469
Ad valorem taxes	425	-	425
Other	5,092	-	5,092
Totals	<u>\$ 25,986</u>	<u>\$ 108,140</u>	<u>\$ 134,126</u>

(6) Due from Other Governmental Units

The total amount due from other governmental units at September 30, 2012 is \$147,143. Of this amount, \$12,532 is applicable to governmental activities, consisting of \$7,044 from the St. Landry Parish Government for casino revenue, \$2,102 owed from the State of Louisiana for video poker, \$2,031 from the State of Louisiana for beer taxes, and \$1,355 from St. Landry Housing Authority for the payments in lieu of taxes. The amount of \$134,611 applicable to the business-type activities is owed from the Louisiana Division of Administration for costs incurred to date on a Louisiana Community Development Grant (LCDBG) water system extension project.

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2012

Revenue bond and interest sinking account	\$ 2,968
Revenue bond reserve account	35,521
Revenue bond contingency account	53,903
Customers' deposits	<u>121,021</u>
Total restricted assets	<u>\$ 213,413</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2012 was as follows

	Balance 10/01/11	Additions	Deletions	Balance 09/30/12
Governmental activities				
Capital assets not being depreciated				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Other capital assets				
Buildings	1,687,729	203,924	3,375	1,888,278
Infrastructure	964,012	-	-	964,012
Equipment	611,759	17,905	77,053	552,611
Totals	<u>3,349,925</u>	<u>221,829</u>	<u>80,428</u>	<u>3,491,326</u>
Less accumulated depreciation				
Buildings	859,014	55,423	2,812	911,625
Infrastructure	597,745	24,988		622,733
Equipment	374,055	70,384	76,265	368,174
Total accumulated depreciation	<u>1,830,814</u>	<u>150,795</u>	<u>79,077</u>	<u>1,902,532</u>
Governmental activities, capital assets, net	<u>\$ 1,519,111</u>	<u>\$ 71,034</u>	<u>\$ 1,351</u>	<u>\$ 1,588,794</u>
Business-type activities				
Capital assets not being depreciated				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Construction in progress	-	170,162	-	170,162
Other capital assets				
Gas system	789,697	-	-	789,697
Water system	1,636,971	8,921	-	1,645,892
Sewer system	4,815,709	-	-	4,815,709
Machinery and equipment	110,123	6,149	-	116,272
Totals	<u>7,367,792</u>	<u>185,232</u>	<u>-</u>	<u>7,553,024</u>
Less accumulated depreciation				
Gas system	569,086	9,710	-	578,796
Water system	751,209	37,273	-	788,482
Sewer system	1,818,117	96,992	-	1,915,109
Machinery and equipment	82,255	8,589	-	90,844
Total accumulated depreciation	<u>3,220,667</u>	<u>152,564</u>	<u>-</u>	<u>3,373,231</u>
Business-type activities, capital assets, net	<u>\$ 4,147,125</u>	<u>\$ 32,668</u>	<u>\$ -</u>	<u>\$ 4,179,793</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows

General government	\$ 56,693
Police	51,101
Streets	27,907
Culture and recreation	<u>15,094</u>
Total depreciation expense	<u>\$ 150,795</u>

Depreciation expense was charged to business-type activities as follows

Gas	\$ 18,503
Water	37,069
Sewer	<u>96,992</u>
Total depreciation expense	<u>\$ 152,564</u>

Construction in progress of \$170,162 in the business-type activities consists of costs incurred through September 30, 2012 on a water system extension project. The total cost of the project is estimated to be approximately \$400,000 and will be funded by a Louisiana Community Block Grant and town funds.

(9) Deferred Revenue

Deferred revenue in the amount of \$147,317 is recorded as a liability at September 30, 2012. This amount includes of \$56,250 and \$68,750 recorded in the 1966 Sales Tax Fund and the 1996 Sales Tax Fund, respectively, for sales taxes received during the current fiscal year which are expected to benefit future periods. The amount also includes \$16,421 and \$5,896 of funds received during the year recorded in the General Fund for youth league revenues and library donations, respectively, which will benefit future periods.

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2012.

	Governmental Activities		Business-type Activities
	General Obligation Bonds	Capital Leases	Revenue Bonds
Long-term debt payable, October 1, 2011	\$ 307,000	\$ 42,849	\$ 552,119
Long-term debt issued	-	-	-
Long-term debt retired	<u>(47,000)</u>	<u>(20,627)</u>	<u>(10,898)</u>
Long-term debt payable, September 30, 2012	<u>\$ 260,000</u>	<u>\$ 22,222</u>	<u>\$ 541,221</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Debt (Continued)

Long-term debt payable at September 30, 2012 is comprised of the following individual issues

General obligation bonds

\$340,000 Sales Tax Refunding Bonds, Series 2010, due in annual installments of \$33,000 to \$56,000 through May 1, 2017, interest at 2.66 percent, secured by a dedicated 1.2% sales tax \$226,000

Capital leases

\$57,905 lease dated November 26, 2010 for three police vehicles, due in monthly installments of \$1,762, including interest at 6%, through November 26, 2013, secured by General Fund revenues. At September 30, 2012, the vehicles had a book value of \$36,673 (net of \$21,232 of accumulated depreciation), which is included in the equipment capital asset class \$22,222

Revenue bonds

\$652,000 Sewer Revenue Bonds dated 07/01/98 due in monthly installments of \$2,960 beginning August 1, 1999 through July 1, 2038, interest rate at 4.5 percent, secured by sewer system revenues \$ 541,221

Less Unamortized bond issuance costs (18,923)

Net revenue bonds payable \$ 522,298

The long-term debt is due as follows

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2013	\$ 70,265	\$ 7,790	\$ 11,399	\$ 24,122
2014	49,957	5,612	11,923	23,598
2015	52,000	4,309	12,471	23,050
2016	54,000	2,926	13,043	22,478
2017	56,000	1,490	13,643	21,878
2018 - 2022	-	-	78,211	99,394
2023 - 2027	-	-	97,903	79,702
2028 - 2032	-	-	122,555	55,050
2033 - 2037	-	-	153,714	23,891
2038	-	-	26,359	3,242
Total	<u>\$ 282,222</u>	<u>\$ 22,127</u>	<u>\$ 541,221</u>	<u>\$ 376,405</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Flow of Funds, Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated July 1, 1998, all income and revenues of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds

Each month, there will be set aside into a fund called the "Sewer Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Sewer Revenue Bond Reserve Fund" 5% of the payments being made into the Sewer Revenue Bond and Interest Sinking Fund until an amount equal to the highest combined principal and interest requirements for any succeeding year on the bonds and any additional parity bonds is on deposit thereon (currently \$35,521). The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund as to which there would otherwise be default.

Each month \$143 shall be deposited into a "Sewer Depreciation and Contingency Fund." Money in this fund may be used for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Money in this fund may also be used to pay principal or interest on the bonds, including any additional parity bonds, for the payment of which there is not sufficient money in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town of Port Barre was in compliance with all significant limitations and restrictions in the bond indenture at September 30, 2012.

(12) Employee Retirement

All Town of Port Barre employees participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System. The Town's contribution during the years ended September 30, 2012, 2011 and 2010 amounted to \$74,034, \$61,557, and \$57,913, respectively.

(13) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Natural Gas Contract

The Town entered into a gas purchase contract with Cypress Gas Pipeline Company with an initial term of January 1, 1992 to January 1, 1996 with provisions to continue beyond January 1, 1996 on a year-to-year basis until either party request termination of the contract. The terms of the contract require the Town to purchase all of its natural gas requirements from Cypress Gas Pipeline Company. During the year ended September 30, 2012, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$66,231. At September 30, 2012, the Town owed \$6,149 for natural gas purchases for the months of August 2012 and September 2012.

(15) Segment Information for the Enterprise Fund

The Town of Port Barre maintains one enterprise fund with three departments that provide gas, water, and sewerage services. Segment information for the year ended September 30, 2012, was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	<u>\$273,399</u>	<u>\$396,968</u>	<u>\$ 241,384</u>	<u>\$ 911,751</u>
Operating expenses				
Depreciation	18,503	37,069	96,992	152,564
Other	<u>244,407</u>	<u>320,314</u>	<u>96,992</u>	<u>661,713</u>
Total operating expenses	<u>262,910</u>	<u>357,383</u>	<u>363,164</u>	<u>983,457</u>
Operating income (loss)	<u>\$ 10,489</u>	<u>\$ 39,585</u>	<u>\$(121,780)</u>	<u>\$ (71,706)</u>

(16) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2012 follows:

Mayor	
Gil Savoy, Jr., Mayor	\$ 24,000
Aldermen	
Richard Mobile	3,750
Donald Robin	3,750
Kenneth Marks	3,750
Dr. Paula Sharkey	-
Polly Pickney	3,750
	<u>\$ 39,000</u>

Dr. Paula Sharkey has elected to donate the compensation for her services to the Town to be utilized for expenditures relative to culture and recreation.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Pending Litigation

At September 30, 2012, the Town of Port Barre is involved in several lawsuits. It is the opinion of management and legal counsel that the liability, if any, which might arise from any claims that are not covered by insurance, would not have a material effect on the financial statements.

(18) Interfund Transactions

A Receivables and Payables

The interfund receivable and payable balances consisted of the following at September 30, 2012:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds		
General Fund	\$ 17,873	\$ 25,625
1966 Sales Tax Special Revenue Fund	223,388	200,000
1996 Sales Tax Special Revenue Fund	-	197,763
1996 Sales Tax Bonds Debt Service Fund	-	-
Proprietary Fund		
Enterprise Fund	182,127	-
Total	<u>\$ 423,388</u>	<u>\$ 423,388</u>

B Transfers

Transfers consisted of the following at September 30, 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 178,228	\$ -
1966 Sales Tax Special Revenue Fund	200,000	200,000
1996 Sales Tax Special Revenue Fund	-	255,895
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	55,895	-
Proprietary Fund		
Enterprise Fund	200,000	178,228
Total	<u>\$ 634,123</u>	<u>\$ 634,123</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) New Accounting Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the GASB approved Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be implemented by the Town of Port Barre for the year ending June 30, 2013. The effect of implementation on the Town's financial statements has not yet been determined.

(20) Subsequent Event Review

The Town's management has evaluated subsequent events through February 15, 2013, the date which the financial statements were available to be issued.

(21) Subsequent Event

The Louisiana Legislative Auditor's office is currently performing an investigation regarding internal control and compliance issues. This investigation is not complete as of February 15, 2013, and the effect on the financial statements of the Town of Port Barre as of and for the year ended September 30, 2012 is undeterminable.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 165,800	\$ 119,303	\$ 115,269	\$ (4,034)
Licenses and permits	85,700	71,809	72,032	223
Intergovernmental	76,700	141,502	142,029	527
Fines and forfeits	730,000	636,753	646,904	10,151
Miscellaneous	166,200	126,701	120,371	(6,330)
Total revenues	<u>1,224,400</u>	<u>1,096,068</u>	<u>1,096,605</u>	<u>537</u>
Expenditures				
Current -				
General government	167,248	160,739	157,401	3,338
Public safety - police	879,202	898,154	865,801	32,353
Culture and recreation	78,112	91,166	93,643	(2,477)
Capital outlay	43,000	208,439	221,829	(13,390)
Debt service				
Principal retirement	19,087	19,087	20,627	(1,540)
Interest and fiscal charges	2,052	4,162	2,274	1,888
Total expenditures	<u>1,188,701</u>	<u>1,381,747</u>	<u>1,361,575</u>	<u>20,172</u>
Excess (deficiency) of revenues over expenditures	35,699	(285,679)	(264,970)	20,709
Other financing sources				
Transfers in	<u>-</u>	<u>150,000</u>	<u>178,228</u>	<u>28,228</u>
Excess (deficiency) of revenues and other financing sources over expenditures	35,699	(135,679)	(86,742)	48,937
Fund balance, beginning	<u>365,141</u>	<u>365,141</u>	<u>365,141</u>	<u>-</u>
Fund balance, ending	<u>\$ 400,840</u>	<u>\$ 229,462</u>	<u>\$ 278,399</u>	<u>\$ 48,937</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$230,500	\$303,793	\$299,924	\$ (3,869)
Interest	-	-	95	95
Total revenues	<u>230,500</u>	<u>303,793</u>	<u>300,019</u>	<u>(3,774)</u>
Expenditures				
Current -				
General government				
Professional fees	9,000	13,635	13,335	300
Miscellaneous	<u>6,500</u>	<u>4,279</u>	<u>2,120</u>	<u>2,159</u>
Total general government	<u>15,500</u>	<u>17,914</u>	<u>15,455</u>	<u>2,459</u>
Highways and streets				
Salaries	144,313	133,612	133,580	32
Maintenance and materials	5,000	7,709	28,843	(21,134)
Street materials and supplies	19,500	41,124	27,253	13,871
Group insurance	28,243	29,539	35,425	(5,886)
Payroll taxes	10,500	9,166	10,974	(1,808)
Miscellaneous	<u>6,500</u>	<u>8,295</u>	<u>5,111</u>	<u>3,184</u>
Total highways and streets	<u>214,056</u>	<u>229,445</u>	<u>241,186</u>	<u>(11,741)</u>
Culture and recreation	<u>8,000</u>	<u>15,018</u>	<u>12,682</u>	<u>2,336</u>
Capital outlay -				
Street equipment	-	2,140	-	2,140
Total expenditures	<u>237,556</u>	<u>264,517</u>	<u>269,323</u>	<u>(4,806)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,056)</u>	<u>39,276</u>	<u>30,696</u>	<u>(8,580)</u>
Other financing sources (uses)				
Transfers in	100,000	200,000	200,000	-
Transfers out	<u>(100,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(7,056)</u>	<u>39,276</u>	<u>30,696</u>	<u>(8,580)</u>
Fund balance, beginning	<u>351,934</u>	<u>351,934</u>	<u>351,934</u>	-
Fund balance, ending	<u>\$344,878</u>	<u>\$391,210</u>	<u>\$382,630</u>	<u>\$ (8,580)</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 276,600	\$ 361,250	\$ 366,574	\$ 5,324
Donation - St Landry Disposal	12,000	-	-	-
Interest	65	49	170	121
Total revenues	<u>288,665</u>	<u>361,299</u>	<u>366,744</u>	<u>5,445</u>
Expenditures				
Current -				
General government				
Professional fees	8,900	14,890	14,640	250
Miscellaneous	-	4,816	4,930	(114)
Total general government	<u>8,900</u>	<u>19,706</u>	<u>19,570</u>	<u>136</u>
Highways and streets				
Electricity for lights	<u>34,700</u>	<u>32,168</u>	<u>31,732</u>	<u>436</u>
Total expenditures	<u>43,600</u>	<u>51,874</u>	<u>51,302</u>	<u>572</u>
Excess of revenues over expenditures	245,065	309,425	315,442	6,017
Other financing uses				
Transfers out	<u>(178,354)</u>	<u>(255,895)</u>	<u>(255,895)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	66,711	53,530	59,547	6,017
Fund balance, beginning	<u>259,591</u>	<u>259,591</u>	<u>259,591</u>	<u>-</u>
Fund balance, ending	<u>\$ 326,302</u>	<u>\$ 313,121</u>	<u>\$ 319,138</u>	<u>\$ 6,017</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets
September 30, 2012
With Comparative Totals for September 30, 2011

	2012			2011
	Governmental Activities	Business-Type Activities	Total	Totals
ASSETS				
Current assets				
Cash and interest-bearing deposits	\$ 1,346,050	\$ 359,819	\$ 1,705,869	\$ 1,674,758
Receivables, net	25,986	108,140	134,126	174,019
Internal balances	(182,127)	182,127	-	-
Due from other governmental units	12,532	134,611	147,143	4,879
Total current assets	<u>1,202,441</u>	<u>784,697</u>	<u>1,987,138</u>	<u>1,853,656</u>
Noncurrent assets				
Restricted assets				
Cash and interest-bearing deposits	-	213,413	213,413	196,703
Capital assets				
Land and construction in progress	86,425	185,454	271,879	101,717
Other capital assets, net	1,502,369	3,994,339	5,496,708	5,564,519
Total noncurrent assets	<u>1,588,794</u>	<u>4,393,206</u>	<u>5,982,000</u>	<u>5,862,939</u>
Total assets	<u>2,791,235</u>	<u>5,177,903</u>	<u>7,969,138</u>	<u>7,716,595</u>
LIABILITIES				
Current liabilities				
Accounts, salaries and other payables	28,597	217,917	246,514	138,820
Deferred revenue	147,317	-	147,317	139,932
Capital leases payable	20,265	-	20,265	19,087
Bonds payable	50,000	11,399	61,399	57,581
Accrued interest	2,882	2,030	4,912	5,473
Total current liabilities	<u>249,061</u>	<u>231,346</u>	<u>480,407</u>	<u>360,893</u>
Noncurrent liabilities				
Customers' deposits	-	121,021	121,021	107,818
Capital leases payable	1,957	-	1,957	23,762
Bonds payable	210,000	510,899	720,899	781,859
Total noncurrent liabilities	<u>211,957</u>	<u>631,920</u>	<u>843,877</u>	<u>913,439</u>
Total liabilities	<u>461,018</u>	<u>863,266</u>	<u>1,324,284</u>	<u>1,274,332</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,306,572	3,668,894	4,975,466	4,794,529
Restricted for debt service	43,478	78,963	122,441	122,165
Unrestricted	980,167	566,780	1,546,947	1,525,569
Total net assets	<u>\$ 2,330,217</u>	<u>\$ 4,314,637</u>	<u>\$ 6,644,854</u>	<u>\$ 6,442,263</u>

TOWN OF PORT BARRE, LOUISIANA

Comparative Balance Sheet
General and Special Revenue Funds
September 30, 2012 and 2011

	General		1966 Sales Tax Special Revenue		1996 Sales Tax Special Revenue	
	2012	2011	2012	2011	2012	2011
ASSETS						
Cash and interest-bearing deposits	\$ 286,211	\$ 451,434	\$ 426,908	\$ 502,290	\$586,571	\$ 387,497
Receivables						
Taxes	20,894	28,817	-	-	-	-
Other	5,092	6,900	-	-	-	-
Due from other funds	17,873	-	223,388	66,700	-	-
Due from other governmental units	12,532	8,275	-	-	-	-
Total assets	<u>\$ 342,602</u>	<u>\$ 495,426</u>	<u>\$ 650,296</u>	<u>\$ 568,990</u>	<u>\$586,571</u>	<u>\$ 387,497</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 16,261	\$ 67,327	\$ 11,416	\$ 10,806	\$ 920	\$ 3,678
Accrued liabilities	-	328	-	-	-	-
Deferred revenue	22,317	14,932	56,250	56,250	68,750	68,750
Due to other funds	25,625	47,698	200,000	150,000	197,763	55,478
Total liabilities	<u>64,203</u>	<u>130,285</u>	<u>267,666</u>	<u>217,056</u>	<u>267,433</u>	<u>127,906</u>
Fund balances -						
Restricted for sales tax dedications	-	-	382,630	351,934	319,138	259,591
Unassigned	278,399	365,141	-	-	-	-
Total fund balances	<u>278,399</u>	<u>365,141</u>	<u>382,630</u>	<u>351,934</u>	<u>319,138</u>	<u>259,591</u>
Total liabilities and fund balances	<u>\$ 342,602</u>	<u>\$ 495,426</u>	<u>\$ 650,296</u>	<u>\$ 568,990</u>	<u>\$586,571</u>	<u>\$ 387,497</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012			Variance with Final Budget Positive (Negative)	2011 Actual
	Budget		Actual		
	Original	Final			
Taxes					
Ad valorem	\$ 40,300	\$ 40,529	\$ 40,966	\$ 437	\$ 39,112
Interest and penalties on taxes	-	-	41	41	(353)
Franchise -					
Electric and cable TV	125,500	78,774	74,262	(4,512)	98,125
Total taxes	165,800	119,303	115,269	(4,034)	136,884
Licenses and permits					
Occupational licenses	82,000	68,134	68,357	223	81,662
Liquor licenses	3,700	3,675	3,675	-	3,710
Total licenses and permits	85,700	71,809	72,032	223	85,372
Intergovernmental					
State of Louisiana -					
Beer taxes	7,500	7,630	7,762	132	7,545
Video poker	21,700	14,041	13,337	(704)	14,196
Casino revenue	43,300	45,349	45,625	276	43,826
State grants	-	-	-	-	5,330
Grass cutting	4,200	4,200	4,200	-	4,200
On-behalf payments	-	69,000	69,750	750	69,000
St. Landry Parish Housing Authority	-	1,282	1,355	73	1,282
Total intergovernmental	76,700	141,502	142,029	527	145,379
Fines and forfeits	730,000	636,753	646,904	10,151	754,479
Miscellaneous					
Rent and utility reimbursements	123,200	60,568	55,657	(4,911)	77,487
Parks and recreation	28,000	9,255	7,785	(1,470)	9,146
Youth league	-	36,377	48,494	12,117	13,212
Sale of equipment	4,000	2,680	2,680	-	3,190
Donations	-	13,672	81	(13,591)	3,979
Other	11,000	4,149	5,674	1,525	10,077
Total miscellaneous	166,200	126,701	120,371	(6,330)	117,091
Total revenues	\$1,224,400	\$1,096,068	\$1,096,605	\$ 537	\$1,239,205

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012		Actual	Variance with	2011
	Budget			Final Budget	
	Original	Final		Positive (Negative)	
Current					Actual
General government -					
Advertising	\$ 4,500	\$ 2,644	\$ 1,953	\$ 691	\$ 2,963
Dues and subscriptions	2,600	3 406	3,766	(360)	2,339
Insurance	6,920	5,359	5,812	(453)	6,239
Legal fees	1,200	1,200	1,300	(100)	1,100
Mayor's allowance	6,000	6,000	6,000	-	6,000
Miscellaneous	5,600	4,757	4,768	(11)	7,526
Payroll taxes	2,938	5,223	5,217	6	2,984
Professional fees	18,740	26,494	26,432	62	18,511
Salaries - mayor and council	39,000	69,294	69,208	86	39,000
Travel and meetings	6,900	9,275	9,455	(180)	7,756
Preparation of tax roll	2,350	2,367	2,367	-	2,354
Repairs and maintenance	30,000	3,575	2,968	607	58,198
Coroner's fees	500	2,900	2,900	-	2,700
Electricity	40,000	18,245	15,255	2,990	33,702
Election fees	-	-	-	-	1,056
Total general government	<u>167,248</u>	<u>160,739</u>	<u>157,401</u>	<u>3,338</u>	<u>192,428</u>
Public safety - police -					
Feeding prisoners	6,500	2,846	5,803	(2,957)	8,876
Drug enforcement	-	1,000	1,000	-	-
Insurance	26,690	20,667	22,416	(1,749)	23,948
Group insurance	75,432	82,695	85,390	(2,695)	75,432
Miscellaneous	3,500	5,708	5,373	335	31,790
Police car expenditures	71,000	59,276	55,914	3,362	72,444
Salaries	535,030	558,707	549,314	9,393	595,367
Payroll taxes	45,700	42,506	43,625	(1,119)	46,842
Supplies	22,500	20,629	21,212	(583)	30,506
Repairs and maintenance	25,500	33,854	39,789	(5,935)	26,775
Uniforms	8,500	5,454	5,495	(41)	7,527
Training academy	1,600	2,076	776	1,300	2,416
Telephone	11,100	11,440	10,902	538	11,086
Electricity	9,900	6,634	6,660	(26)	9,054
Medical and drug testing	5,150	5,287	1,167	4,120	551
Janitorial	2,600	8,763	3,861	4,902	2,449
Fine remittance fees	<u>28,500</u>	<u>30,612</u>	<u>7,104</u>	<u>23,508</u>	<u>28,326</u>
Total public safety	<u>879,202</u>	<u>898,154</u>	<u>865,801</u>	<u>32,353</u>	<u>973,389</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012				
	Budget			Variance with Final Budget	2011
	Original	Final	Actual	Positive (Negative)	Actual
Culture and recreation -					
Salaries	37,758	42,948	39,697	3,251	31,450
Payroll taxes	3,004	4,431	2,958	1,473	2,406
Park expenditures	7,000	3,163	3,683	(520)	15,220
Youth league	20,000	40,624	42,488	(1,864)	13,212
Electricity for parks	10,350	-	4,817	(4,817)	10,068
Total culture and recreation	<u>78,112</u>	<u>91,166</u>	<u>93,643</u>	<u>(2,477)</u>	<u>72,356</u>
Capital outlay					
General government -					
Purchase of Dunbar property	20,000	-	-	-	202,027
FOTL building repairs and maintenance	-	166,216	166,216	-	-
Equipment	10,000	12,520	3,998	8,522	4,475
Public safety -					
Automobiles	-	3,000	3,000	-	57,905
Equipment	-	-	3,285	(3,285)	8,289
Culture and recreation -					
Automobiles	-	-	-	-	7,900
Recreation & playground equipment	13,000	-	-	-	-
Storage facility and concession stand	-	26,703	45,330	(18,627)	-
Park fencing	-	-	-	-	19,160
Total capital outlay	<u>43,000</u>	<u>208,439</u>	<u>221,829</u>	<u>(13,390)</u>	<u>299,756</u>
Debt service					
Principal retirement	19,087	19,087	20,627	(1,540)	20,199
Interest and fiscal charges	<u>2,052</u>	<u>4,162</u>	<u>2,274</u>	<u>1,888</u>	<u>2,743</u>
Total debt service	<u>21,139</u>	<u>23,249</u>	<u>22,901</u>	<u>348</u>	<u>22,942</u>
Total expenditures	<u>\$1,188,701</u>	<u>\$1,381,747</u>	<u>\$1,361,575</u>	<u>\$ 20,172</u>	<u>\$1,560,871</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012			Variance with Final Budget Positive (Negative)	2011 Actual
	Budget		Actual		
	Original	Final			
Revenues					
Taxes	\$ 230,500	\$ 303,793	\$ 299,924	\$ (3,869)	\$ 250,090
Interest	-	-	95	95	139
Total revenues	<u>230,500</u>	<u>303,793</u>	<u>300,019</u>	<u>(3,774)</u>	<u>250,229</u>
Expenditures					
Current -					
General government					
Professional fees	9,000	13,635	13,335	300	8,400
Collection fees	<u>6,500</u>	<u>4,279</u>	<u>2,120</u>	<u>2,159</u>	<u>3,028</u>
Total general government	<u>15,500</u>	<u>17,914</u>	<u>15,455</u>	<u>2,459</u>	<u>11,428</u>
Highways and streets					
Salaries	144,313	133,612	133,580	32	135,692
Maintenance and materials	5,000	7,709	28,843	(21,134)	18,859
Street materials and supplies	19,500	41,124	27,253	13,871	20,875
Group insurance	28,243	29,539	35,425	(5,886)	27,677
Payroll taxes	10,500	9,166	10,974	(1,808)	10,640
Miscellaneous	<u>6,500</u>	<u>8,295</u>	<u>5,111</u>	<u>3,184</u>	<u>3,420</u>
Total highways and streets	<u>214,056</u>	<u>229,445</u>	<u>241,186</u>	<u>(11,741)</u>	<u>217,163</u>
Culture and recreation	<u>8,000</u>	<u>15,018</u>	<u>12,682</u>	<u>2,336</u>	<u>33,036</u>
Capital outlay -					
Street equipment	-	2,140	-	2,140	31,290
Total expenditures	<u>237,556</u>	<u>264,517</u>	<u>269,323</u>	<u>(4,806)</u>	<u>292,917</u>
Excess (deficiency) of revenues over expenditures	<u>(7,056)</u>	<u>39,276</u>	<u>30,696</u>	<u>(8,580)</u>	<u>(42,688)</u>
Other financing sources (uses)					
Transfers in	100,000	200,000	200,000	-	150,000
Transfers out	<u>(100,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(7,056)</u>	<u>39,276</u>	<u>30,696</u>	<u>(8,580)</u>	<u>(42,688)</u>
Fund balance, beginning	<u>351,934</u>	<u>351,934</u>	<u>351,934</u>	<u>-</u>	<u>394,622</u>
Fund balance, ending	<u>\$ 344,878</u>	<u>\$ 391,210</u>	<u>\$ 382,630</u>	<u>\$ (8,580)</u>	<u>\$ 351,934</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012			Variance with Final Budget	2011 Actual
	Budget		Actual	Positive (Negative)	
	Original	Final			
Revenues					
Taxes	\$276,600	\$361,250	\$ 366,574	\$ 5,324	\$307,888
Donation - St Landry Disposal	12,000	-	-	-	13,558
Interest	65	49	170	121	243
Total revenues	<u>288,665</u>	<u>361,299</u>	<u>366,744</u>	<u>5,445</u>	<u>321,689</u>
Expenditures					
Current -					
General government					
Professional fees	8,900	14,890	14,640	250	8,590
Collection fees	-	4,816	4,930	(114)	3,701
Total general government	8,900	19,706	19,570	136	12,291
Highways and streets					
Electricity for lights	34,700	32,168	31,732	436	31,790
Total expenditures	<u>43,600</u>	<u>51,874</u>	<u>51,302</u>	<u>572</u>	<u>44,081</u>
Excess of revenues over expenditures	245,065	309,425	315,442	6,017	277,608
Other financing uses					
Transfers out	(178,354)	(255,895)	(255,895)	-	(226,374)
Excess of revenues over expenditures and other financing uses	66,711	53,530	59,547	6,017	51,234
Fund balance, beginning	<u>259,591</u>	<u>259,591</u>	<u>259,591</u>	<u>-</u>	<u>208,357</u>
Fund balance, ending	\$326,302	\$313,121	\$ 319,138	\$ 6,017	\$259,591

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Bonds Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2012
With Comparative Actual Amounts for the Year Ended September 30, 2011

	2012		Variance with Final Budget Positive (Negative)	2011 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Miscellaneous -				
Interest on deposits	\$ 60	\$ -	\$ (60)	\$ 27
Expenditures				
Debt service -				
Principal retirement	47,000	47,000	-	468,000
Interest	8,166	8,166	-	16,863
Paying agents' fees	-	300	(300)	5,733
Total debt service	<u>55,166</u>	<u>55,466</u>	<u>(300)</u>	<u>490,596</u>
Deficiency of revenues over expenditures	<u>(55,106)</u>	<u>(55,466)</u>	<u>(360)</u>	<u>(490,569)</u>
Other financing sources				
Proceeds from the issuance of refunding bonds	-	-	-	340,000
Transfers from 1996 Sales Tax Fund	<u>55,895</u>	<u>55,895</u>	<u>-</u>	<u>76,374</u>
Total other financing sources	<u>55,895</u>	<u>55,895</u>	<u>-</u>	<u>416,374</u>
Excess (deficiency) of revenues and other financing sources over expenditures	789	429	(360)	(74,195)
Fund balance, beginning	<u>45,931</u>	<u>45,931</u>	<u>-</u>	<u>120,126</u>
Fund balance, ending	<u>\$ 46,720</u>	<u>\$ 46,360</u>	<u>\$ (360)</u>	<u>\$ 45,931</u>

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2012 and 2011

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2012 and 2011

<u>Department</u>	<u>2012</u>	<u>2011</u>
Gas (metered)	491	499
Water (metered)	1,250	1,251
Sewerage	918	929

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2012

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation -	
Employer's liability	
Each occurrence	\$ 100,000
Aggregate	500,000
Surety Bonds -	
Town clerk	36,000
Assistant town clerk	36,000
Assistant town clerk	36,000
Assistant town clerk	36,000
Assistant town clerk	36,000
Parks director	36,000
Town Treasurer	5,000
Blanket bond	5,000
General liability -	
Each occurrence	500,000
Aggregate	500,000
Business automobile liability -	
Each occurrence	500,000
Aggregate	500,000
Property coverage -	
Fire and light, extended coverage, vandalism and malicious mischief	3,470,135
Equipment breakdown coverage	10,592,030
Public official errors and omissions	
Each wrongful act	500,000
Aggregate	1,000,000
Police professional liability -	
Each occurrence	500,000
Aggregate	500,000
Commercial automobile coverage	215,860
Aggregate	1,000,000

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
September 30, 2012

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund				
Certificate of deposit	(A)	10/21/12	0.15%	45,299
Certificate of deposit	(A)	03/09/13	0.35%	170,822
Total General Fund				<u>216,121</u>
Special Revenue Funds				
1966 Sales Tax Fund				
Certificate of deposit	(A)	10/04/12	0.15%	36,097
1996 Sales Tax Fund				
Certificate of deposit	(A)	10/04/12	0.15%	46,410
Road Repair checking account	(A)	N/A	Variable	26,770
Total Special Revenue Funds				<u>73,180</u>
Debt Service Fund				
1996 Sales Tax Bonds Fund - checking account	(A)	N/A	Variable	<u>2,451</u>
Utility Fund				
Unrestricted assets -				
Certificate of deposit	(A)	10/26/12	0.05%	21,080
Certificate of deposit	(A)	10/26/12	0.05%	56,183
Certificate of deposit	(A)	10/26/12	0.15%	123,500
Restricted assets -				
Certificate of deposit	(S)	01/16/13	0.60%	27,202
Savings accounts	(A)	N/A	Variable	16,757
Total Utility Fund				<u>244,722</u>
Total - all funds				<u>\$ 572,571</u>

Investments with

- (A) American Bank and Trust, Opelousas, Louisiana
- (S) St. Landry Homestead, Opelousas, Louisiana

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Assets
Enterprise Fund
Utility Fund
September 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash	\$ 159,056	\$ 96,504
Interest-bearing deposits, at cost	200,763	200,451
Receivables		
Accounts receivable	108,140	117,262
Other	-	17,644
Due from other funds	182,127	177,128
Due from other governments	134,611	-
Total current assets	<u>784,697</u>	<u>608,989</u>
Noncurrent assets		
Restricted assets		
Cash	169,454	153,167
Interest -bearing deposits, at cost	43,959	43,536
Capital assets		
Land	15,292	15,292
Construction in progress	170,162	-
Other capital assets, net of accumulated depreciation	3,994,339	4,131,833
Total noncurrent assets	<u>4,393,206</u>	<u>4,343,828</u>
Total assets	<u>5,177,903</u>	<u>4,952,817</u>
LIABILITIES		
Current liabilities		
Accounts payable	83,229	56,578
Contracts payable	121,150	-
Retainage payable	13,461	-
Other liabilities	77	104
Payable from restricted assets -		
Revenue bonds	11,399	10,581
Accrued interest	2,030	2,070
Total current liabilities	<u>231,346</u>	<u>69,333</u>
Noncurrent liabilities		
Customers' deposits	121,021	107,818
Revenue bonds and notes payable	510,899	521,859
Total noncurrent liabilities	<u>631,920</u>	<u>629,677</u>
Total liabilities	<u>863,266</u>	<u>699,010</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,668,894	3,625,266
Restricted for debt service	78,963	76,234
Unrestricted	566,780	552,307
Total net assets	<u>\$4,314,637</u>	<u>\$4,253,807</u>

TOWN OF PORT BARRE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Analysis of Revenues and Expenses

For the Years Ended September 30, 2012 and 2011

	Totals		Gas	
	2012	2011	2012	2011
Operating revenues				
Charges for services -				
User charges	\$ 864,571	\$ 881,981	\$ 256,009	\$ 323,097
Connection charges	5,000	16,645	-	325
Miscellaneous	42,180	31,069	17,390	12,428
Total operating revenues	<u>911,751</u>	<u>929,695</u>	<u>273,399</u>	<u>335,850</u>
Operating expenses				
Professional fees	19,694	11,299	-	-
Engineering fees	1,300	1,910	1,300	1,100
Depreciation	152,564	151,714	18,503	18,090
Electricity	68,104	80,213	-	-
Natural gas purchased	66,231	120,543	66,231	120,543
Insurance	155,169	147,064	28,942	30,906
Group insurance	29,248	24,665	12,285	10,359
Office supplies and expense	21,697	22,782	-	-
Operative maintenance and supplies	85,002	107,714	13,880	21,713
Payroll taxes	13,852	15,103	4,571	6,574
Salaries	175,480	190,730	57,908	76,838
Contract labor	9,600	7,958	-	-
Truck expenses	29,553	29,442	-	-
Water and sewer chemicals	93,694	93,024	-	-
Telephone	3,004	2,669	-	-
Bad debts expense	8,103	6,159	2,998	2,279
Uniforms	3,904	2,122	-	-
Miscellaneous	47,258	88,489	9,176	10,970
Allocation of general and administrative expenses	-	-	47,116	52,771
Total operating expenses	<u>983,457</u>	<u>1,103,600</u>	<u>262,910</u>	<u>352,143</u>
Operating income (loss)	<u>(71,706)</u>	<u>(173,905)</u>	<u>\$ 10,489</u>	<u>\$ (16,293)</u>
Nonoperating revenues (expenses)				
Loss on sale of asset	-	(2,750)		
Interest income	735	632		
Interest and fiscal charges	(24,582)	(25,062)		
Total nonoperating revenues (expenses)	<u>(23,847)</u>	<u>(27,180)</u>		
Loss before contributions and transfers	<u>(95,553)</u>	<u>(201,085)</u>		
Capital contributions	<u>134,611</u>	<u>25,000</u>		
Transfer in (out)				
Transfers in	200,000	150,000		
Transfers out	(178,228)	-		
Total transfers in (out)	<u>21,772</u>	<u>150,000</u>		
Change in net assets	60,830	(26,085)		
Net assets, beginning	<u>4,253,807</u>	<u>4,279,892</u>		
Net assets, ending	<u>\$ 4,314,637</u>	<u>\$ 4,253,807</u>		

Water		Sewerage		General and Administrative	
2012	2011	2012	2011	2012	2011
\$ 378,078	\$ 348,067	\$ 230,484	\$ 210,817	\$ -	\$ -
3,800	15,520	1,200	800	-	-
15,090	10,874	9,700	7,767	-	-
<u>396,968</u>	<u>374,461</u>	<u>241,384</u>	<u>219,384</u>	<u>-</u>	<u>-</u>
-	-	-	-	19,694	11,299
-	-	-	810	-	-
37,069	35,776	96,992	97,848	-	-
27,083	33,110	37,969	44,448	3,052	2,655
-	-	-	-	-	-
45,480	48,519	34,455	36,761	46,292	30,878
9,651	8,139	7,312	6,167	-	-
-	-	-	-	21,697	22,782
12,230	7,670	53,463	70,131	5,429	8,200
5,761	4,803	3,520	3,726	-	-
73,702	64,838	43,870	49,054	-	-
-	-	9,600	7,958	-	-
-	-	-	-	29,553	29,442
67,629	50,112	26,065	42,912	-	-
812	735	2,192	1,934	-	-
3,160	2,402	1,945	1,478	-	-
-	-	-	-	3,904	2,122
10,971	46,013	4,744	6,954	22,367	24,552
<u>63,835</u>	<u>46,176</u>	<u>41,037</u>	<u>32,983</u>	<u>(151,988)</u>	<u>(131,930)</u>
<u>357,383</u>	<u>348,293</u>	<u>363,164</u>	<u>403,164</u>	<u>-</u>	<u>-</u>
<u>\$ 39,585</u>	<u>\$ 26,168</u>	<u>\$ (121,780)</u>	<u>\$ (183,780)</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

C. Burton Kolder CPA*
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 Victor R. Slaven CPA*
 P. Troy Courville CPA*
 Gerald A. Thibodeaux Jr. CPA*
 Robert S. Caner CPA*
 Arthur R. Nixon CPA*

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Retired
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Gilfred Savoy, Jr., Mayor
 and Members of the Board of Aldermen
 Town of Port Barre, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana (the Town) as of and for the year ended September 30, 2012, which collectively comprise the Town of Port Barre's basic financial statements and have issued our report thereon dated February 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 12-1(IC) through 12-4(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Town's responses and, accordingly, we express no opinion on it.

We also noted other matters that we have reported to management of the Town in a separate letter dated February 15, 2013.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 15, 2013

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
September 30, 2012

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/12) --						
<u>Internal Control</u>						
12-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system. Specific areas noted were occupational licenses and utility billing adjustments.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
12-2(IC)	Unknown	The Town does not have the staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditor.	Toria Comeaux, Town Clerk	N/A
12-3(IC)	2011	Policies and procedures in place for the collection and recordation of customer meter deposits were not properly being performed. The customer deposit subsidiary ledger should be reconciled to the general ledger each month. All discrepancies should be investigated to resolve any differences in a timely manner. As a result of improper procedures, there is approximately \$6,300 of unaccounted for meter deposits. Additionally, restricted cash held for customer meter deposits should be compared to the meter deposit listing to verify that the appropriate amount is on hand to cover the liability.	Partial	Management will review policies and procedures with staff and modify procedures as appropriate to ensure that all policies and procedures for the collection of meter deposits are being performed accurately and timely.	Toria Comeaux, Town Clerk	Immediate
12-4(IC)	2010	Management should implement procedures to ensure that cash deposits are made on a daily basis. Cash drawers should be closed out at the end of each working day and deposits prepared at that time. Management should designate a time each day that deposits should be taken to the bank.	Partial	Management will review office procedures with staff and implement procedures to ensure that cash deposits are made on a daily basis.	Toria Comeaux, Town Clerk	Immediate
<u>Management Letter</u>						
12-5(ML)	2000	During the fiscal year ended September 30, 2012, the Utility Fund Sewerage Department experienced an operating loss of \$121,780. The Town should consider increasing rates and/or decreasing expenses within the sewer department in order to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2013
12-6(ML)	2011	The Town experienced a high percentage of water loss for the year ended September 30, 2012. The Town should determine the reasons for this high loss percentage and determine ways to reduce the percentage by appropriately billing for water usage or correcting situations causing the water losses.	No	Management will continue to track the water loss on a monthly basis. The utility department staff will assess the water system to determine what actions could be considered in order to reduce the amount of water loss.	Toria Comeaux, Town Clerk	Immediate

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2012

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipate Completion Date
PRIOR YEAR (9/30/11) --						
<u>Internal Control</u>						
11-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system. Specific areas noted were occupational licenses and utility billing adjustments. As a result of the inadequate segregation of duties over utility billing adjustments and the lack of compensating controls in this area there is approximately \$7,000 in undocumented adjustments.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
11-2(IC)	Unknown	The Town does not have the staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditor.	Toria Comeaux, Town Clerk	N/A
11-3(IC)	2011	Policies and procedures in place for the collection of customer meter deposits were no longer being performed. As a result of improper procedures, there is approximately \$41,000 of unaccounted for meter deposits.	Partial	Management will review policies and procedures with staff and modify procedures as appropriate to ensure that all policies and procedures for the collection of meter deposits are being performed accurately and timely.	Toria Comeaux, Town Clerk	12/31/2011
<u>Management Letter</u>						
11-4(ML)	2000	During the fiscal year ended September 30, 2011, the Utility Fund Sewerage Department experienced an operating loss of \$183,780 and the gas department experienced a loss of \$16,293. The Town should consider increasing rates and/or decreasing expenses within the gas and sewer departments so that they may operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the gas and sewerage departments to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2011
11-5(ML)	2010	Management should implement procedures to ensure that cash deposits are made on a daily basis. Cash drawers should be closed out at the end of each working day and deposits prepared at that time. Management should designate a time each day that deposits should be taken to the bank.	Partial	Management will review office procedures with staff and implement procedures to ensure that cash deposits are made on a daily basis.	Toria Comeaux, Town Clerk	9/30/2011
11-6(ML)	2011	In June 2011, the Town began tracking the total gallons produced by the water system. The amount of water loss per month appears to be approximately 35% for the three (3) months ended September 30, 2011. The Town should continue to track this data and determine the reasons for the high water loss percentage.	No	Management will continue to track the water loss on a monthly basis. The utility department staff will assess the water system to determine what actions could be considered in order to reduce the amount of water loss.	Toria Comeaux, Town Clerk	9/30/2011